

UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF NEW YORK

PEOPLE OF THE STATE OF NEW YORK, by
LETITIA JAMES,
Attorney General of the State of New York,

Plaintiff,

v.

PENNSYLVANIA HIGHER EDUCATION
ASSISTANCE AGENCY, d/b/a
FEDLOAN SERVICING and AMERICAN
EDUCATION SERVICES,

Defendant.

Case No. 19-cv-9155 (ER)

**AFFIDAVIT OF SARAH E. TROMBLEY IN SUPPORT OF PLAINTIFF'S
OPPOSITION TO DEFENDANT'S MOTION TO DISMISS**

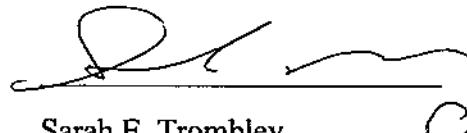
Sarah E. Trombley declares under penalty of perjury, pursuant to 28 U.S.C. § 1746, as follows:

1. I am admitted to practice law before the Southern District of New York. I am an Assistant Attorney General for the New York Office of the Attorney General ("NYAG"), which represents the State of New York in this matter. Unless otherwise noted, I make this Affidavit based on the best of my knowledge as counsel for the State of New York, which is based on my review of information and documents and my role in discovery.
2. Attached as Exhibit A is a true and correct copy of the September 30, 2011 Federal Student Aid Business Operations Change Request Form, as it was produced to the NYAG by defendant in this matter the Pennsylvania Higher Education Assistance Agency ("PHEAA"), Bates-stamped PHEAA000000033-59.
3. Attached as Exhibit B is a true and correct copy of a U.S. Dep't of Education report entitled *Recommendations on Best Practices in Performance-Based Contracting* (Aug. 2015).
4. Attached as Exhibit C is a true and correct copy of a Consumer Financial Protection Bureau report entitled *Student loan servicing: Analysis of public input and recommendations for reform* (Sept. 2015).

5. Attached as Exhibit D is a true and correct copy of the “Lending and Servicing” subchapter of the “Updating Activity-Specific Regulations” chapter of a U.S. Dep’t of Treasury report entitled *A Financial System That Creates Economic Opportunities* (July 2018) (available in full at <https://home.treasury.gov/sites/default/files/2018-07/A-Financial-System-that-Creates-Economic-Opportunities---Nonbank-Financi....pdf>).
6. Attached as Exhibit E is a true and correct copy of a U.S. Gov’t Accountability Office report entitled *Public Service Loan Forgiveness: Education Needs to Provide Better Information for the Loan Servicer and Borrowers* (GAO-18-547) (Sept. 2018).
7. Attached as Exhibit F is a true and correct copy of the transcript of the statement of Melissa Emrey-Arras, Director, Education, Workforce, and Income Security, U.S. Gov’t Accountability Office, entitled *Federal Student Loans: Key Weaknesses Limit Education’s Management of Contractors: Hearing Before the Subcomm. on Gov’t Operations of the H. Comm. on Oversight and Gov’t Reform and the Subcomm. on Higher Educ. and Workforce Training of the H. Comm. on Educ. and the Workforce*, 114th Cong. (GAO-16-196T) (2015).
8. Attached as Exhibit G is a true and correct copy of a U.S. Gov’t Accountability Office report entitled *Federal Student Loans: Further Actions Needed to Implement Recommendations on Oversight of Loan Servicers* (GAO-18-587R) (2018).
9. Attached as Exhibit H is a true and correct copy of a U.S. Gov’t Accountability Office report entitled *Federal Student Loans: Education Could Improve Direct Loan Program Customer Service and Oversight* (GAO-16-523) (2016).
10. Attached as Exhibit I is a true and correct copy of the Consumer Financial Protection Bureau examination manual entitled *CFPB Education Loan Examination Procedures* (2020).
11. Attached as Exhibit J is a true and correct copy of a document identified as Oct. 19, 2015 Dept. of Education Review Report, as obtained by the news organization Politico and released on September 9, 2019.
12. Attached as Exhibit K is a true and correct copy of a document identified as Feb. 22, 2016 Dept. of Education Review Report, as obtained by the news organization Politico and released on September 9, 2019.
13. Attached as Exhibit L is a true and correct copy of a document identified as Apr. 28, 2016 Dept. of Education Review Report, as obtained by the news organization Politico and released on September 9, 2019.
14. Attached as Exhibit M is a true and correct copy of a House Committee on Education and Labor report entitled *Broken Promises: How the Department of Education Failed America’s Public Servants* (Oct. 2019).

15. Attached as Exhibit N is a true and correct copy of a document identified as Oct. 17, 2017 FSA FedLoan Servicing PSLF Servicing Review, as obtained by the news organization Politico and released on September 9, 2019.
16. Attached as Exhibit O is a true and correct copy of a Consumer Financial Protection Bureau report entitled *Staying on track while giving back* (June 2017).
17. Attached as Exhibit P is a true and correct copy of a document identified as a U.S. Department of Education, Office of Inspector General report entitled *Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans* (Feb. 2019).
18. Attached as Exhibit Q is a true and correct copy of a U.S. Dep't of Education spreadsheet, Public Service Loan Forgiveness (PSLF) Program Data as of 9/30/2019.
19. Attached as Exhibit R is a true and correct copy of a U.S. Dep't of Education spreadsheet, Public Service Loan Forgiveness (PSLF) Program Data as of 3/31/19.
20. Attached as Exhibit S is a true and correct copy of the unpublished Order Denying the Motion to Dismiss in *Illinois v. Navient Corp.*, 17-ch-761 (Ill. Cir. Ct. Cook Cnty. July 10, 2018).
21. Attached as Exhibit T is a true and correct copy of the unpublished Order Granting in Part and Denying in Part Mot. for Judgment on the Pleadings in *Washington v. Navient Corp.*, No. 17-2-01115-1 (Sup. Ct. Wa. Oct. 30, 2018).

I declare under penalty of perjury that the foregoing is true and correct. Executed on this 28th of February.



Sarah E. Trombley
Assistant Attorney General
Consumer Frauds and Protection Bureau